

## STATE OF SOUTH CAROLINA

## (Caption of Case)

In Re: Application of Chem-Nuclear Systems,  
L.L.C., a Division of Duratek, Inc. For Adjustment  
in the Levels of Allowable Costs and for  
Identification of Allowable Costs (FY 2008-2009  
Proceeding)

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

## COVER SHEET

DOCKET

NUMBER: 2000 - 366 - A

(Please type or print)

Submitted by: Robert T. Bockman, EsquireSC Bar Number: 747Address: McNair Law Firm, P.A.Telephone: 803-799-9800Post Office Box 11390Fax: 803-753-3219Columbia, SC 29211

Other: \_\_\_\_\_

Email: bbockman@mcnair.net

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

**DOCKETING INFORMATION** (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: \_\_\_\_\_

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Gas	<input checked="" type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Response
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Other:
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	
<input checked="" type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

April 1, 2009

**M C N A I R**  
ATTORNEYS

*Hand Delivered*

ROBERT T. BOCKMAN

The Honorable Charles L. A. Terreni  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
Post Office Box 11649  
Columbia, South Carolina 29211

bbockman@mcnair.net  
T (803) 799-9800  
F (803) 753-3219

Re: Application of Chem-Nuclear Systems, LLC (SCPSC Docket No. 2000-366-A) (Fiscal Year 2008-2009 Proceeding)

Dear Mr. Terreni:

Please find enclosed ten (10) copies of the Settlement Agreement by which the South Carolina Office of Regulatory Staff ("ORS") and Chem-Nuclear Systems, LLC, a Division of Duratek, Inc. ("Chem-Nuclear"), have resolved the principal issues between them with respect to this Docket. You will find as an attachment to the Settlement Agreement, and incorporated therein by reference, the original of the ORS' Examination of the Application of Chem-Nuclear for Adjustment in the Levels of Allowable Costs for Fiscal Year Ended June 30, 2006 and for Identification of Allowable Costs for the Fiscal Year Ending June 30, 2007 ("ORS' Report"). Please file the Settlement Agreement and ORS' Report in accordance with the Commission's rules of practice and procedure.

The parties will summarize the terms of the Settlement Agreement in the testimony during the hearing before the Commission on Wednesday, April 12, 2007.

By copy of this letter, I have provided a copy of the Settlement Agreement to all parties of record. Should you have any questions with respect to this matter, please do not hesitate to contact me.

Very truly yours,



Robert T. Bockman

Enclosure

cc: Mr. Dan F. Arnett (w/encl.)  
K. Chad Burgess, Esquire  
Frank R. Ellerbe, III, Esquire (w/encl.)  
Catherine E. Heigel, Esquire  
The Honorable C. Earl Hunter, (w/encl.)  
The Honorable Henry D. McMaster (w/encl.)  
Derrick K. McFarland, Esquire  
Jeff M. Nelson, Esquire (w/encl.)

McNair Law Firm, P. A.  
The Tower at 1301 Gervais  
1301 Gervais Street  
11th Floor  
Columbia, SC 29201

Mailing Address  
Post Office Box 11390  
Columbia, SC 29211

mcnair.net

RECEIVED  
2009 APR - 1 PM 12:08  
SC PUBLIC SERVICE  
COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

Docket No. 2000-366-A

IN RE: Application of Chem-Nuclear Systems, )  
LLC, a Subsidiary of Energy Solutions for )  
Adjustment in the Levels of Allowable )  
Costs and for Identification of Allowable )  
Costs (FY 2008-2009 Proceeding) )  
\_\_\_\_\_ )

**CERTIFICATE  
OF SERVICE**

I, ElizaBeth A. Blitch, do hereby certify that I have this date served one (1) copy of the Settlement Agreement between ORS and Chem-Nuclear upon the following counsel of record and statutory parties by causing said copies to be deposited with the United States Postal Service, first class postage prepaid and properly affixed thereto, and addressed as follows:

The Honorable Henry Dargan McMaster  
Attorney General  
State of South Carolina  
Post Office Box 11549  
Columbia, South Carolina 29211

The Honorable C. Earl Hunter  
Commissioner  
SCDHEC  
2600 Bull Street  
Columbia, South Carolina 29201

Frank R. Ellerbe, III, Esquire  
Robinson McFadden & Moore, PPC  
Post Office Box 944  
Columbia, South Carolina 29202

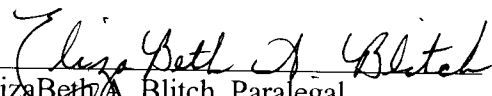
K. Chad Burgess, Esquire  
SCANA Services, Inc.  
Legal Department - 130  
Columbia, South Carolina 29218

Derrick K. McFarland, Esquire  
South Carolina Budget &  
Control Board  
Post Office Box 11608  
Columbia, South Carolina 29211

Jeffrey M. Nelson, Esquire  
Office of Regulatory Staff  
1441 Main Street, Suite 300  
Columbia, South Carolina 29201

Mr. Dan F. Arnett  
Chief of Staff  
Office of Regulatory Staff  
1441 Main Street, Suite 300  
Columbia, South Carolina 29201

Catherine E. Heigel, Esquire  
Assistant General Counsel  
Duke Energy Carolinas, LLC  
526 S. Church Street, EC03T  
Charlotte, North Carolina 28202

  
ElizaBeth A. Blitch, Paralegal  
McNAIR LAW FIRM, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211  
(803) 753-3319

April 1, 2009  
Columbia, South Carolina

2009 APR - 1 PM 12:08

RECEIVED

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
Docket No. 2000-366-A

In Re:   Application of Chem-Nuclear Systems,   )  
          LLC, a Division of Duratek, Inc.,       )  
          For Adjustment in the Levels of Allowable   )  
          Costs and for Identification of Allowable   )  
          Costs (FY 2008-2009 Proceeding)       )  
\_\_\_\_\_)

**SETTLEMENT  
AGREEMENT**

This Settlement Agreement is made by and between Chem-Nuclear Systems, LLC, a Division of Duratek, Inc., which is itself a wholly owned subsidiary of EnergySolutions, Inc. ("the Company" or "Chem-Nuclear"), and the South Carolina Office of Regulatory Staff ("ORS") with respect to the Application and Amended Application of Chem-Nuclear Systems, LLC, for Fiscal Year 2008-2009 ("Amended Application") pending before the Public Service Commission of South Carolina ("Commission") in Docket No. 2000-366-A.

WHEREAS, the Company filed an Application, dated September 30, 2008, ("Application") in this docket by which Chem-Nuclear requested the Commission to identify certain "allowable costs" for the Company's fiscal years 2007-2008 and 2008-2009, in accordance with the provisions of S.C. Code Ann. § 48-46-10, et seq. (2008), and with the Commission's rules and regulations; and

WHEREAS, ORS conducted an examination of the allowable costs to be identified and recovered in Chem-Nuclear's Application; and

WHEREAS, Chem-Nuclear filed an Amended Application, dated February 26, 2009, in this docket in accordance with S.C. Code Ann. § 48-46-40(B)(4) (Supp. 2008) and the Commission's rules and regulations; and

WHEREAS, the Company's Amended Application resolved the concerns of the ORS pursuant to its examination; and

WHEREAS, on March 3, 2009, the Prefiled Direct Testimony of James W. Latham was filed on behalf of Chem-Nuclear reflecting the position of the Company as contained in its Amended Application; and

WHEREAS, the Report of ORS Deputy Director of Audit, Malini R. Gandhi, of the review and examination of Chem-Nuclear's Application and Amended Application, dated March 13, 2009 ("Report"), is attached to this Agreement and incorporated by reference; and

WHEREAS such Report summarizes the Company's Amended Application and concurs with the request of the Company as contained in the Amended Application; and

WHEREAS, Chem-Nuclear and ORS believe that it is in their best interests and those of the State of South Carolina to enter into a Settlement Agreement relating to this matter in order to avoid the additional expense which the litigation of their positions would occasion in this proceeding.

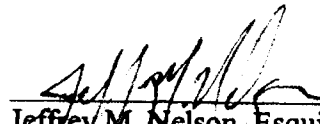
WHEREFORE, the Signatories (herein "Parties") to this Agreement enter into this Agreement on the following terms:

1. The Parties agree to the Actual Costs of Fiscal Year 2007-2008, including fixed costs, irregular costs, variable labor and non-labor costs and vault costs as specified in Chem-Nuclear's Amended Application.
2. The Parties agree on the calculation of projected costs for Fiscal Year 2008-2009 as specified in Chem-Nuclear's Amended Application.
3. The Parties agree that the Prefiled Direct Testimony of James W. Latham accurately reflects the agreed upon positions of the Parties to this Agreement.
4. The Parties agree that James W. Latham will present testimony at the hearing in

this matter consistent with his prefiled direct testimony, the Amended Application and the terms of this Settlement Agreement.

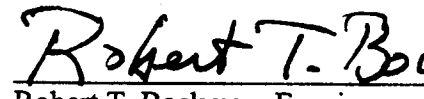
5. Upon execution of this Settlement Agreement, Chem-Nuclear will file an original of this Settlement Agreement with the Commission and serve a copy of it upon all parties of record in SCPSC Docket No. 2000-366-A.
6. The Parties agree that by signing this Settlement Agreement, it will not constrain, inhibit or impair in any way their arguments or positions they may choose to make in future proceedings. If the Commission should decline to approve the Settlement Agreement in its entirety, then any of the Parties may withdraw from the Settlement Agreement without penalty.
7. This agreement shall be interpreted according to South Carolina law.
8. The Parties acknowledge their consent and agreement to this Settlement Agreement by authorizing their respective counsel to affix his or her signature to this document where indicated below. Counsel's signature constitutes a representation that his or her client has authorized the execution of this Settlement Agreement. Facsimile signatures and email signatures shall be as effective as original signatures. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement.

**Representing and binding the  
Office of Regulatory Staff:**

  
Jeffrey M. Nelson, Esquire  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, South Carolina 29201  
Phone: (803) 737-0823  
Fax: (803) 737-0895  
Email: jnelson@regstaff.sc.gov

March 24, 2008

**Representing and binding Chem-Nuclear  
Systems, LLC, a Division of Duratek, Inc.:**

  
Robert T. Bockman, Esquire  
McNair Law Firm, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211  
Phone: (803) 799-9800  
Fax: (803) 753-3219  
Email: bbockman@mcnair.net

March 24, 2008

**Representing and binding the  
Atlantic Compact Commission:**



Frank R. Ellerbe, III, Esquire  
Robinson, McFadden & Moore, P.C.  
Post Office Box 944  
Columbia, SC, 29202  
Phone: 803-779-8900  
Fax: 803-252-0724  
Email: [fellerbe@robinsonlaw.com](mailto:fellerbe@robinsonlaw.com)

March 31, 2009



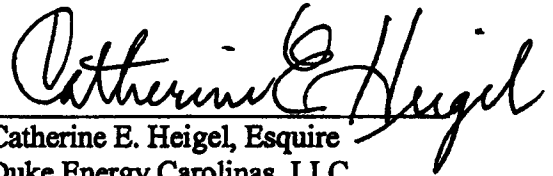
**Representing and binding  
Progress Energy Carolinas, Inc.:**

A handwritten signature in black ink, appearing to read "Len S. Anthony", written over a horizontal line.

Len S. Anthony, Esquire  
Progress Energy Carolinas, Incorporated  
Post Office Box 1551  
Raleigh, NC, 27602  
Phone: 919-546-6367  
Fax: 919-546-2694  
Email: [Len.S.Anthony@pgnmail.com](mailto:Len.S.Anthony@pgnmail.com)

March 26, 2009

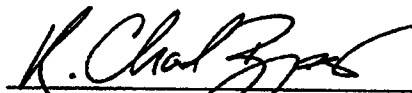
**Representing and binding  
Duke Energy Carolinas, LLC:**

A handwritten signature in black ink, reading "Catherine E. Heigel". The signature is written in a cursive style with a horizontal line underneath the name.

Catherine E. Heigel, Esquire  
Duke Energy Carolinas, LLC  
Post Office Box 1006, EC03T  
Charlotte, NC, 28201-1066  
Phone: 704-382-8123  
Fax: 704-382-5690  
Email: [ceheigel@duke-energy.com](mailto:ceheigel@duke-energy.com)

March 30, 2009

**Representing and binding South  
Carolina Electric and Gas Company:**



---

K. Chad Burgess, Esquire  
South Carolina Electric and Gas Company  
1426 Main Street, MC 130  
Columbia, SC, 29201  
Phone: 803-217-8141  
Fax: 803-217-7931  
Email: [chad.burgess@scana.com](mailto:chad.burgess@scana.com)

March 31, 2009

C. DE KISSCOFF  
EXECUTIVE DIRECTOR

1114 Main Street, Suite 100  
Columbia, SC 29201



Phone: (803) 735-5800  
Fax: (803) 735-5807

DAN E. ARNETT  
CHIEF OF STAFF

JAY R. JASHINSKY, CPA  
DIRECTOR OF AUDITING

## **SOUTH CAROLINA OFFICE OF REGULATORY STAFF**

### **EXAMINATION REPORT FOR DOCKET NO. 2000-366-A**

#### **THE APPLICATION OF CHEM-NUCLEAR SYSTEMS, LLC, A SUBSIDIARY OF ENERGY SOLUTIONS, FOR ADJUSTMENT IN THE LEVELS OF ALLOWABLE COSTS AND FOR IDENTIFICATION OF ALLOWABLE COSTS**

On September 30, 2008, Chem-Nuclear Systems, LLC ("Chem-Nuclear") filed an application for Adjustment in the Levels of Allowable Costs for the Fiscal Year Ending June 30, 2008 and for Identification of Allowable Costs for Fiscal Year Ending June 30, 2009, pursuant to South Carolina Public Service Commission ("PSC") Order No. 2008-447 in Docket No. 2000-366-A. The South Carolina Office of Regulatory Staff ("ORS") completed an examination of the application and the underlying financial records of Chem-Nuclear for the operation of its regional low-level radioactive waste disposal facility located in the vicinity of Barnwell, South Carolina.

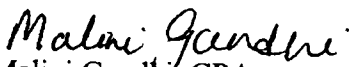
Effective July 1, 2008, Pursuant to S.C. Code Ann. § 48-46-40-(A)(6)(a), (Supp. 2008), Chem-Nuclear can only accept waste generated within the three Atlantic Compact states, South Carolina, New Jersey and Connecticut. Additionally, starting July 1, 2008, Chem-Nuclear commenced site closure ("institutional") activities parallel to its site disposal operating ("operational") activities. The institutional costs include site maintenance, monitoring security, other administrative expenses and license costs, and will be paid from the Barnwell Decommissioning Trust Fund each year beginning with Fiscal Year 2009. Reimbursement for the remainder of these costs will be included among operating costs in Chem-Nuclear's application for reimbursement filed with the Public Service Commission.

As a result of its examination, ORS identified certain adjustments to Chem-Nuclear's application that it considered necessary to conform to South Carolina Public Service Commission Rules and Regulations. These adjustments were discussed with members of Chem-Nuclear's management who agreed with their propriety. Chem-Nuclear filed an amended application dated February 26, 2009, which incorporated the aforementioned adjustments for the levels of allowable costs for the fiscal year 2008, and for identification of allowable costs for the fiscal year 2009.

Based on ORS's procedures, a summary of the amended application and a comparison of the resulting recommended allowable reimbursements to the amounts authorized by the South Carolina PSC in its Order No. 2008-447 dated June 17, 2008, was prepared by ORS Audit Staff. This summary is attached herewith as Exhibit A. As shown in this analysis, ORS recommends that Chem-Nuclear be allowed to retain, as recovery of their expenditures in operating the Barnwell Low Level Radioactive Waste Storage Facility, for the fiscal year ended June 30, 2008, as follows:

- \$7,452,850 in Fixed Costs,
- \$3,171,848 in Variable Costs and
- \$644,843 in Irregular Costs

In conjunction with the procedures described above, ORS also examined transactions recorded by Chem-Nuclear for the period beginning July 1, 2008, and extending through January 31, 2009. Based on this examination, Chem-Nuclear's Fixed and Irregular costs for the fiscal year ending June 30, 2009, appear reasonable. ORS also calculated actual Variable cost rates for the fiscal year ending June 30, 2009 as listed in Exhibit AA, which are consistent with the rates filed in the Amended Application by Chem-Nuclear.

  
Malini Gandhi, CPA  
March 13, 2009

**Chem-Nuclear Systems, LLC**  
**Operating Experience and Reimbursable Costs**  
**For the Twelve Months Ended June 30, 2008**

**Exhibit A**  
**Page 1 of 2**

	<b>Per Amended Application</b>	<b>Commission Order No. 2008-447</b>	<b>Actual Costs Over (Under) Commission Allowed</b>
<b><u>Fixed Costs</u></b>			
Labor & Fringe	\$ 2,452,543	\$ 2,900,000	\$ (447,457)
Non-labor Costs	1,087,714	1,000,000	87,714
Corporate Allocations (G&A)	1,246,765	1,305,000	(58,235)
Equipment Leases and Support	696,642	654,000	42,642
Depreciation	188,000	230,000	(42,000)
Insurance	632,003	680,000	(47,997)
Employee retention compensation	461,905	500,000	(38,095)
Legal (License Appeal)	62,361	50,000	12,361
Intangible Asset Amortization	<u>624,917</u>	<u>625,000</u>	<u>(83)</u>
<b>Total Fixed Costs</b>	<b><u>\$ 7,452,850</u></b>	<b><u>\$ 7,944,000</u></b>	<b><u>\$ (491,150)</u></b>
<b><u>Variable Costs</u></b>			
Vault Cost	\$ 1,975,945	\$ 1,777,611	\$ 198,334
Labor and Non-Labor Costs	<u>1,195,903</u>	<u>1,088,055</u>	<u>107,848</u>
<b>Total Variable Expenses</b>	<b><u>\$ 3,171,848</u></b>	<b><u>\$ 2,865,666</u></b>	<b><u>\$ 306,182</u></b>

**Chem-Nuclear Systems, LLC**  
**Operating Experience and Reimbursable Costs**  
**For the Twelve Months Ended June 30, 2008**

**Exhibit A**  
**Page 2 of 2**

	<u>Per Amended Application</u>	<u>Commission Order No. 2008-447</u>	<u>Actual Costs Over (Under) Commission Allowed</u>
<b><u>Irregular Costs</u></b>			
<b>Various Trenches (Design, Construct, and Backfill)</b>			
Labor	53,662		
Non-Labor	232,235		
<b>Total</b>	<u>\$ 285,897</u>	<u>\$ 160,000</u>	<u>\$ 125,897</u>
<b>License Renewal and Appeal Costs</b>			
Labor	3,802		
Non-Labor	1,579		
<b>Total</b>	<u>5,381</u>	<u>10,000</u>	<u>(4,619)</u>
<b>Decontamination &amp; Corrective Actions</b>			
Labor	8,569		
Non-Labor	62,112		
<b>Total</b>	<u>70,681</u>	<u>10,000</u>	<u>60,681</u>
<b>Site Engineering and Drawings Updates</b>			
Labor	15,465		
Non-Labor	9,051		
<b>Total</b>	<u>24,516</u>	<u>25,000</u>	<u>(484)</u>
<b>Site Assessments</b>			
Labor	92,621		
Non-Labor	63,819		
<b>Total</b>	<u>156,440</u>	<u>80,000</u>	<u>76,440</u>
<b>Irregular Component Disposal</b>			
Labor	(36)		
Non-Labor	3,328		
<b>Total</b>	<u>3,292</u>	<u>10,000</u>	<u>(6,708)</u>
<b>Other Irregular Costs</b>			
Labor	5,594		
Non-Labor	62,554		
<b>Total</b>	<u>68,148</u>	<u>20,000</u>	<u>48,148</u>
<b>Monitoring Well Abandonment</b>			
Labor	3,803		
Non-Labor	490		
<b>Total</b>	<u>4,293</u>	<u>-</u>	<u>4,293</u>
<b>Investigate Mary's Branch Creek</b>			
Labor	24,383		
Non-Labor	-		
<b>Total</b>	<u>24,383</u>	<u>-</u>	<u>24,383</u>
<b>Increased Security Controls</b>			
Labor	(38)		
Non-Labor	1,850		
<b>Total</b>	<u>1,812</u>	<u>-</u>	<u>1,812</u>
<b>Total Irregular Costs</b>	<u><u>\$ 644,843</u></u>	<u><u>\$ 315,000</u></u>	<u><u>\$ 329,843</u></u>

**Chem-Nuclear Systems, LLC**  
**Proposed Fixed, Irregular and Variable Costs**  
**For the Fiscal Year Ending June 30, 2009 To Date**

**Exhibit AA**  
**Page 1 of 2**

	<u>Per Amended</u> <u>Application</u>	<u>Actual Through</u> <u>01/31/2009</u>	<u>Difference</u>
<b>FIXED COSTS</b>			
<b>Fixed Costs to which 29% operating margin is added:</b>			
Labor and Fringe and Non-Labor	\$ 1,000,000	\$ 762,104	\$ 237,896
Corporate Allocations (Management Fees/G&A)	500,000	330,253	169,747
Depreciation	188,000	170,870	17,130
Insurance	448,000	262,061	185,939
Equipment Leases and Support	400,000	205,717	194,283
<b>Total Margin Costs</b>	<u>2,536,000</u>	<u>1,731,005</u>	<u>804,995</u>

**Fixed Costs to which 29% operating margin is not added:**

Legal Support (license appeal)	25,000	24,452	548
<b>Total Non-margin Costs</b>	<u>25,000</u>	<u>24,452</u>	<u>548</u>
<b>Total Fixed Costs</b>	\$ <u>2,561,000</u>	\$ <u>1,755,457</u>	\$ <u>805,543</u>

**IRREGULAR COSTS**

Trench Construction	\$ 40,000	\$ 37,427	\$ 2,573
License Appeal	5,000	9,311	(4,311)
Site Engineering Drawings	3,000	2,221	779
Site Assessments	30,000	1,477	28,523
Miscellaneous	1,000	-	1,000
Increased Security Controls	10,000	15,085	(5,085)
Severance Pay	300,000	4,484	295,516
<b>Total Irregular Costs</b>	\$ <u>389,000</u>	\$ <u>70,005</u>	\$ <u>318,995</u>

\*\* Anticipated to incur in June 2009.



**Chem-Nuclear Systems, LLC**  
**Proposed Fixed, Irregular and Variable Costs**  
**For the Fiscal Year Ending June 30, 2009 To Date**

**Exhibit AA**  
**Page 2 of 2**

	<b>VARIABLE RATES</b>	
	<u>Costs</u>	<u>Variable Factor</u>
<b>Variable Labor and Non-Labor Rates</b>		
Vault Purchase & Inspection	\$ <u>75.91</u>	Per Vault
A B C Waste Disposal	<u>1,818.55</u>	Per Shipment
Slit Trench Shipment	<u>6,565.38</u>	Per Offload
Customer Assistance	<u>44.45</u>	Per Shipment
Trench Records	<u>124.06</u>	Per Container
<b>Variable Material Cost Rates (Vaults)</b>		
Class A Waste	\$ <u>38.26</u>	Per Cubic Foot
Class B Waste	<u>39.65</u>	Per Cubic Foot
Class C Waste	<u>40.49</u>	Per Cubic Foot
Slit Trench Waste	<u>180.92</u>	Per Cubic Foot

**Chem Nuclear Systems, LLC**  
**Proforma and Correcting Adjustments**  
**Reflected in Amended Application Filed on Feb. 26, 2009**

**For the Twelve Months Ended June 30, 2008**

<u>Description</u>	<u>Adjustment Amount</u>
Adjustment #1-Fixed Costs (Corp. Allocation)	\$ <u>(214,000)</u>

**For the Twelve Months Ended June 30, 2009**

Adjustment # 2 -Fixed Costs (Insurance Exp.)	\$ <u>(264,400)</u>
--	---------------------

TOTAL ADJUSTED AMOUNT PER ORS \$ (478,400)

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2000-366-A**

IN RE: Chem-Nuclear Systems, LLC - Application  
for Approval of Allowable Costs (1st Filing)     )  
Application for Adjustment in the Levels of     ) **CERTIFICATE OF**  
Allowable Costs and for Identification of     ) **SERVICE**  
Allowable Costs (2nd Filing and After)     )

This is to certify that I, Chrystal L. Morgan, have this date served one (1) copy of the **EXAMINATION REPORT** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

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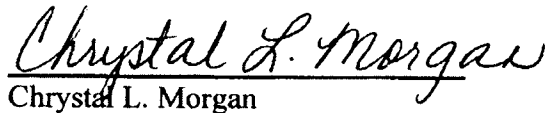
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March 13, 2009  
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